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ABSTRACT

A study examined research conducted on the effectiveness of different welfare-to-work approaches. Five evaluations begun in the 1980s with five-year results indicated that programs focusing on rapid employment and job search activities combined with education and training activities more often increased employment and earnings and reduced welfare payments, when compared with programs that focused solely on job search activities or those that placed the greatest emphasis on education. Preliminary results (2-year findings) were obtained from a more recent ongoing evaluation started in 1992--the only evaluation designed explicitly to compare the effectiveness of a rapid-employment approach with an education-based welfare-to-work approach. The results showed that, although each approach has increased participants' employment and earnings, neither approach has proven itself clearly better. The rapid employment approach did cost about half as much per person as the education-based approach. Recent studies of factors affecting cognitive development of children in welfare families indicated a mother's higher level of educational attainment was one factor that may positively affect children's development. A body of research on effects of poverty on children's educational attainment suggested a significant positive relationship between parents' and their children's educational attainment among welfare and non-welfare populations. (Appendixes contain 39 references, study scope and methodology, and comments from the Department of Health and Human Services.) (YLB)

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GAO

Report to Congressional Committees

ED 432 699

September 1999

WELFARE REFORM

Assessing the Effectiveness of Various Welfare-to-Work Approaches

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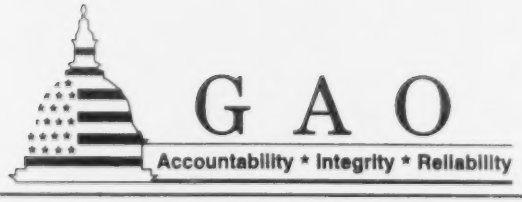

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Congressional Committees

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), enacted in August 1996, significantly changed the nation's cash assistance program for needy families with children. Title I of the law replaced the Aid to Families With Dependent Children (AFDC) cash assistance program with fixed block grants to states to provide Temporary Assistance for Needy Families (TANF) and ended families' entitlement to assistance. Several goals of the TANF program are specified in the law, including that of ending welfare dependence by promoting work over welfare and self-reliance over dependency. Over the years, states' welfare-to-work programs have emphasized different goals and philosophies for moving individuals into work and have provided different types of services and activities to program participants to help them reach those goals. Programs with the goal of rapid employment emphasize quick exposure to and entry into the labor force, reflecting the belief that participants can best acquire employment-related skills when they are working, regardless of the quality of the job. These programs' service strategies tend to rely heavily on job search activities but can make use of education and training to some extent. Other programs have the goal of skill building, often called an education-based approach, which usually involves a greater initial investment in participants' education and occupational skills, so that when they do enter the labor market, they can obtain "good" jobs—those with higher pay, health benefits, and opportunity for advancement. The 1996 welfare reform law emphasizes the importance of moving welfare recipients into employment and gives states greater flexibility to tailor their programs to meet their own goals and needs.

To help it assess how best to assist welfare recipients, the Congress directed us in the Higher Education Amendments of 1998 (P.L. 105-244) to review research on the effectiveness of various welfare-to-work approaches. Specifically, we were asked to examine the research findings on (1) the effectiveness of a rapid employment approach, an education-based approach (including adult vocational and postsecondary education), and a combination of these two approaches in improving employment-related outcomes for welfare recipients and other low-income women with children and (2) the effect of welfare recipients' educational attainment, including postsecondary education, on the educational attainment of their children. In performing this work, we

reviewed studies that had been published from 1988 through mid-1999 that assessed the effectiveness of welfare-to-work approaches by comparing outcomes related to employment and earnings as well as declines in welfare payments for those in the programs with those not in the programs. Because some welfare-to-work programs may produce results in the longer term rather than in the short term, we generally focused on evaluations having relatively long-term results (5 years). In addition, because many of the welfare recipients who participated in the welfare-to-work programs evaluated had less than a high school education, the education-based approaches evaluated in the studies we assessed primarily provided basic education services rather than postsecondary education. As a result, none of the studies evaluated the effectiveness of a college education on improving employment-related outcomes for welfare recipients. We also identified and reviewed studies about the effect of welfare recipients' educational attainment on their children. (See app. I for a full discussion of our scope and methodology.)

Results in Brief

Research conducted to date on the effectiveness of different welfare-to-work approaches suggests that programs with a combined approach—including both job search assistance and some education and training—tend to be more effective over a 5-year period than either approach alone in increasing employment and earnings while reducing welfare payments. Five evaluations begun in the 1980s with 5-year results indicated that programs focusing on rapid employment and job search activities combined with education and training activities more often increased employment and earnings and reduced welfare payments, compared with programs that focused solely on job search activities or those that placed the greatest emphasis on education. In addition, preliminary results (2-year findings) from a more recent ongoing evaluation (started in 1992)—the only evaluation designed explicitly to compare the effectiveness of a rapid-employment approach with an education-based welfare-to-work approach—found that while each approach has increased participants' employment and earnings, so far, neither approach has proven clearly better than the other. The rapid employment approach did, however, cost about half as much per person as the education-based approach. While these studies provide useful information, more needs to be known about how well different approaches are performing in the current environment created by the enactment of welfare reform in 1996, which none of these evaluations cover.

While research indicates that parents' educational attainment has a positive effect on children's educational attainment, little information is currently available on this relationship specifically within the welfare population. Recent studies have identified factors affecting cognitive development of children in welfare families. This research, while limited in scope, indicates that a mother's higher level of educational attainment is one factor that may positively affect children's development. In addition, a body of research that focuses on the effects of poverty on children's educational attainment suggests a significant positive relationship between the educational attainment of parents and their children among both the welfare and the nonwelfare populations.

Background

AFDC was created by the Social Security Act of 1935 to provide cash assistance to families with needy children who had been deprived of the support of one of their parents—at that time, mostly children living with widowed mothers. The program was not designed to promote employment, because, at the time, mothers were generally not expected to work outside the home. Over the past several decades, however, the public has come to believe that most welfare families should be at least partly self-supporting. Efforts to provide education, training, and job search assistance to help welfare recipients prepare for and find jobs can be traced back at least to the 1960s, when the Congress mandated that every state operate a Work Incentive (WIN) program to encourage AFDC recipients to become self-sufficient. WIN began primarily as a voluntary program focusing on job search assistance and immediate employment. Starting in 1981, WIN demonstration projects were established that gave states greater flexibility to design their own programs, and states could now require welfare recipients with children aged 6 and older to participate. Our reviews of the WIN program showed that it often served those most likely to find employment on their own rather than those less job-ready, who needed the most help to become employed.

The Family Support Act of 1988 eliminated the WIN program and created the Job Opportunities and Basic Skills Training (JOBS) program. Research conducted before passage of that act showed that welfare recipients were a diverse group, making use of the AFDC program in different ways. While most who used AFDC did so for short periods of time, the majority of AFDC's resources were devoted to providing benefits to long-term recipients. This research also identified several factors that were associated with long-term welfare dependence, including recipients' low level of education, single-parent status, higher number of children, disability, and

limited work experience.[1] To better ensure that AFDC recipients received assistance that would help them avoid long-term welfare dependence, JOBS required state programs to include a broad range of services, including education and training assistance,[2] and to provide financial assistance with support services such as child care and transportation. The population that could be required to participate was changed from those with children aged 6 and above to those with children aged 3 and above. In addition, for the first time, states were required to place a specified minimum percentage of nonexempt welfare recipients in education, training, and work-related activities and to target resources to long-term recipients and those considered at risk of long-term welfare dependence.

The Family Support Act also called for an evaluation with a random assignment design, which would control for other factors that could affect outcomes, to assess the effectiveness of various welfare-to-work programs. The Department of Health and Human Services (HHS), with support from the Department of Education, contracted with the Manpower Demonstration Research Corporation (MDRC), a research organization that analyzes education- and employment-related programs, to conduct this evaluation, which focused on mandatory welfare-to-work programs at seven sites. This evaluation is referred to as the National Evaluation of Welfare-to-Work Strategies, formerly known as the JOBS Evaluation. In the mid-1980s, California also contracted with MDRC to conduct an evaluation of its state welfare-to-work program, called Greater Avenues for Independence (GAIN), which became the state's JOBS program after 1988. At the beginning of the GAIN evaluation, California had about one-sixth of the nation's AFDC caseload, and GAIN expended about 13 percent of federal JOBS funds.

In response to JOBS' increased emphasis on education and training and a general belief that these activities could help improve welfare recipients' financial well-being, as they do for the general population, many state and local JOBS programs emphasized the provision of education and training. In our 1991 report on the implementation of JOBS, we found that almost half of the states reported a shift from an emphasis on immediate job

[1]David Ellwood, Targeting "Would-Be" Long-Term Recipients of AFDC (Princeton, N.J.: Mathematica Policy Research, Inc., 1986).

[2]Under JOBS, states were to assess the needs and skills of welfare recipients, prepare them for employment through education and training as needed, and place them in jobs. Federal rules specified certain activities that each state's JOBS program was required to offer. These included education activities, job skills training, job-readiness activities, and job development and placement services. States also had to offer at least two of the four WIN activities (job search, on-the-job training, work supplementation programs, and community work experience programs). Postsecondary education was optional under the federal JOBS rules, and states could assign participants to this activity on an individual basis.

placement under their previous welfare-to-work programs toward a new emphasis on long-term education or training.[3] In 1995, we reported that JOBS participants nationwide were enrolled in a variety of education and training activities—postsecondary education (17 percent), high school or preparation for the general equivalency diploma (16 percent), job skills training (13 percent), adult basic or remedial education (7 percent), and English as a Second Language training (2 percent).[4]

Several years after the implementation of JOBS, our review of state JOBS programs nationwide showed that only about 11 percent of welfare recipients were involved in JOBS activities each month.[5] In addition, AFDC caseloads rose to their highest levels ever, peaking at 5 million families in 1994. Also during the 1990s, under waivers of the federal rules, several states experimented with changes in their AFDC and JOBS programs. These changes included encouraging welfare recipients to work by allowing them to keep more of their earnings without losing welfare benefits, strengthening and more strongly enforcing work requirements, and imposing limits on the length of time a family could receive aid.

To encourage and facilitate innovation by the states and to address continuing concerns among policymakers about growing welfare dependence, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly referred to as welfare reform legislation, overhauled the nation's welfare system by abolishing the AFDC program and establishing TANF block grants. Under TANF, which is administered by HHS, states are provided up to $16.8 billion each year through 2002 to provide aid to needy families with children. While the states have great flexibility to design programs that meet their own goals and needs, they must also meet several federal requirements designed to emphasize the importance of work and the temporary nature of TANF aid. TANF established stronger work requirements for those receiving aid than the requirements of its predecessor program, and the population that can be required to work now includes all parents, regardless of the ages of

[3]Welfare to Work: States Begin JOBS, but Fiscal and Other Problems May Impede Their Progress (GAO/HRD-91-106, Sept. 27, 1991).

[4]Welfare to Work: Participants' Characteristics and Services Provided in JOBS (GAO/HEHS-95-93, May 2, 1995).

[5]Welfare to Work: Most AFDC Training Programs Not Emphasizing Job Placement (GAO/HEHS-95-113, May 19, 1995).

their children.[6] In addition, states must enforce a 5-year limit (less at state option) on the length of time a family may receive federal TANF assistance.[7]

Our June 1998 report and other studies of TANF implementation show that many states and localities have taken steps to transform their welfare offices into job placement centers and are encouraging or requiring those seeking aid to engage in job search activities as soon as they apply.[8] Along with this increased emphasis on work, welfare offices and workers are also focusing more on helping clients address and solve problems that interfere with employment. States' implementation of more work-focused programs, undertaken under conditions of strong economic growth, has been accompanied by a 45-percent decline in the number of families receiving welfare—from a high of about 5 million families in 1994 to 2.7 million families as of December 1998.[9] A nationally representative survey of families who left welfare from 1995 to 1997 found that 61 percent of former welfare recipients were working at the time of the survey, although often at low-paying jobs.[10]

[6]The required minimum participation rate began at 25 percent in fiscal year 1997 and rises to 50 percent in fiscal year 2002. States receive credit for the degree to which their caseloads have declined since fiscal year 1996. While states have considerable flexibility in designing their welfare-to-work programs, the legislation prescribes the activities that states may count toward their work participation rate. For example, vocational education is limited as a countable work activity both in the percentage of recipients who can be engaged in vocational training and count toward the participation rate (30 percent) and the length of time a recipient can be in vocational training (up to 12 months). Moreover, unless states include it in their definition of vocational education training, the legislation does not allow postsecondary education to be counted as a work activity toward the states' participation rate.

[7]States may exempt from time limits up to 20 percent of those receiving TANF aid and may use their own funds to provide aid beyond the federal time limit.

[8]Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence (GAO/HEHS-98-109, June 17, 1998).

[9]Welfare Reform: States' Implementation Progress and Information on Former Recipients (GAO/T-HEHS-99-116, May 27, 1999).

[10]Pamela Loprest, "Families Who Left Welfare: Who Are They and How Are They Doing?" Urban Institute Discussion Paper 99-02 (July 1999). See also Welfare Reform: Information on Former Recipients' Status (GAO/HEHS-99-48, Apr. 28, 1999).

Research Shows That a Variety of Welfare-to-Work Approaches Have Positive Employment-Related Outcomes

The current research on the relative merits of the rapid employment and education-based approaches does not conclusively show that one approach is more effective than the other in increasing welfare recipients' employment and earnings and reducing their welfare payments. Of the six evaluations of different approaches we identified and reviewed, five evaluations, with 5-year results, covered a range of programs, with some combining elements of a rapid employment approach with an education-based approach. The results of these evaluations were mixed and, while not conclusive, indicated that programs that combined the approaches had more positive effects—and that these effects covered a broader cross section of the welfare population—than programs that focused more exclusively on providing only job search activities or only education. Only one evaluation, part of the National Evaluation of Welfare-to-Work Strategies, directly compared the results of a rapid employment approach with those of an education-based approach. The results for the first 2 years of this ongoing study showed that the outcomes were roughly comparable for the two approaches, with both modestly increasing participants' employment and earnings and reducing welfare payments. The rapid employment approach was only about half as costly per participant as the education approach. None of the studies evaluated the effectiveness of a college education in improving employment-related outcomes for welfare recipients. All of the evaluations we reviewed provided information on welfare-to-work programs operated in the 1980s and 1990s; none included results on programs operated since welfare reform was enacted in 1996. Currently, HHS is funding 23 studies in 20 states on welfare reforms that began under waivers of the AFDC program but that are continuing in the new welfare environment. These studies will provide more information on effective approaches for moving welfare recipients into work.[11]

Little Research Is Available That Compares the Effectiveness of Various Approaches

We reviewed five evaluations conducted by MDRC that focused on mandatory welfare-to-work programs and for which 5 years of follow-up data were available. Because the results of the rapid employment and education-based approaches are expected to unfold in different ways, with more immediate results from the rapid employment approach and more delayed results from the education-based approach, we focused only on those evaluations with results from 5 years of follow-up. (Other studies we identified that did not include 5-year results are listed in the bibliography.) Four evaluations were begun in the early 1980s and covered a variety of

[11]For more information, see Web sites http://www.acf.dhhs.gov/programs/opre/rd&e.htm and http://aspe.os.dhhs.gov/hsp/hspwelfare.htm

programs across the country; the fifth evaluation, begun in the late 1980s, included six sites in California. As shown in table 1, these programs generally used some combination of the rapid employment and education-based approaches, although each tended to emphasize one approach more than the other. By randomly assigning welfare recipients to different groups—program participants and nonparticipants—evaluators can determine which changes in people's employment, earnings, and welfare payments were due to their participation in the program. This random assignment method cannot tell analysts which particular aspects of the program caused the changes or definitively show that the program effects were caused by the particular approach used, rather than other program features. But such an evaluation can determine whether the way a program was operated at a particular site was effective.

While evaluations of welfare-to-work programs have been conducted over the years, they generally have not been designed to determine the effectiveness of one particular approach compared with another. As part of the National Evaluation of Welfare-to-Work Strategies, formerly the JOBS Evaluation, required by the Family Support Act of 1988, MDRC started a largely unprecedented effort to compare the effect of two distinct types of welfare-to-work approaches—the rapid employment approach versus the education-based approach.[12] Under the rapid employment approach, it is expected that individuals will move quickly into employment with immediate payoffs in increased earnings and welfare savings and the potential to earn more over time. Under the education-based approach, an initial investment in education and training is expected to pay off in the future, with increased earnings and welfare savings once the training is completed. This study, the sixth MDRC study that we reviewed, will provide up to 5 years of follow-up data and will analyze the effects of each approach on a wider array of outcomes, including those for children, in the future. Only the results from the first 2 years of this ongoing comparison study are currently available.

[12]This comparison evaluation is part of the National Evaluation of Welfare-to-Work Strategies, which also includes other components, such as a study, focusing on children who were between the ages of 3 and 5 when their mothers entered the study, to measure outcomes on children's cognitive development and academic achievement, safety and health, problem behavior and emotional well-being, and social development. In the national evaluation, over 55,000 individuals at seven sites were randomly assigned to groups that remained eligible for specific welfare-to-work programs or to groups that did not participate in these programs. In addition to the 2-year findings reported in a study of three sites, 2-year impacts are available for one site in Portland, Oreg. Also, MDRC has completed evaluations at the remaining three sites in Columbus, Ohio; Detroit, Mich.; and Oklahoma City, Okla.; however, these studies had not been published at the time of our review.

Table 1: Evaluation Studies That Assessed the Effectiveness of Welfare-to-Work Programs

Evaluation	Start date[a]	Number of programs with specific findings	Basic program approach
WIN-era programs			
Baltimore Options Program	1982	Combined results for 10 of 18 city welfare offices	Mixed service strategy
Arkansas WORK Program	1983	Combined results for 2 counties	Rapid employment, with a primary focus on job search activities
Virginia Employment Services Program	1983	Combined results for 11 county welfare agencies	Rapid employment, with a primary focus on job search activities
San Diego Saturation Work Initiative Model (SWIM)	1985	Combined results for 2 of 7 city welfare offices	Mixed service strategy
JOBS-era program			
California's Greater Avenues for Independence (GAIN) Program	1988	Separate results for six counties: Alameda; Butte; Los Angeles; Riverside; San Diego; and Tulare	Mixed service strategies that emphasize rapid employment or an education-based approach to different degrees
National Evaluation of Welfare-to-Work Strategies: Evaluation of Two Welfare-to-Work Program Approaches	1992	Separate results for three sites: Atlanta, Ga.; Grand Rapids, Mich.; Riverside, Calif.	Comparison of rapid employment and education-based approaches

[a]All programs were evaluated for 5 years except for the JOBS-era evaluation of two welfare-to-work approaches—2-year results are available for this ongoing comparison study.

The MDRC comparison study of two welfare-to-work approaches was conducted at three sites—Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California. At each site, welfare recipients were randomly assigned to the rapid employment program, the education-based program, or a control group. The study compared outcomes for those assigned to the program groups with outcomes for those assigned to the control group, and compared outcomes for those assigned to one program with outcomes for those assigned to the other program. Operating the two programs at the three sites simultaneously controlled for the economic and programmatic environments that could affect participants' outcomes. Randomly assigning recipients to one of the two programs or a control group helped to eliminate any bias from, or effect of, differences in

recipients' characteristics that could affect outcomes. Differences in participant outcomes could then be attributed to the program in which they participated. In this comparison study and in other evaluations we reviewed, not all individuals assigned to a welfare-to-work program group necessarily participated in program activities; also, some individuals not assigned to a program group sought out and received services at their own initiative. In this report, hereafter, we use the term "participants" to refer to individuals assigned to a welfare-to-work program group and the term "nonparticipants" to refer to those assigned to a control group.

Evaluations Showed That Programs That Combine Approaches More Often Had Positive Effects Over 5 Years Than Those That Emphasized One Approach

Although they were not designed to assess the effect of one approach compared with another, the four WIN-era and one JOBS-era evaluations provide insights into the effectiveness of various approaches. The five evaluations covered 10 programs—seven in California—with varying approaches for moving welfare recipients into work, and had mixed results. Some programs had effects in all three areas—employment, earnings, and welfare savings. In some cases, a program increased earnings for those considered less job-ready but did not increase earnings for those considered job-ready. Although not definitive, the studies show that programs combining elements of both the rapid employment and education-based approaches—having a rapid employment focus but relying on education and training for some participants—tended to have a greater effect on participants' employment and earnings, and on welfare savings, than approaches that emphasized just job search activities or just longer-term education and training.

Five-Year Evaluations of Four WIN-Era Programs

A study of the 5-year results of four programs operated during the WIN era offers a look at two programs that relied primarily on job search activities to move people into jobs in comparison with two programs that provided education and training in addition to job search activities (see table 2). The Arkansas and Virginia programs are generally considered examples of programs focusing on job search only that were relatively low cost and provided little in the way of education and training, although some Virginia program participants did participate in education and training opportunities but participated in such activities only slightly more than the control group. The Baltimore Options program featured an initial assessment of each participant's needs and then provided participants a choice of activities. SWIM, in San Diego, was designed to involve as many welfare recipients as possible in ongoing activities, following a set sequence of activities: job search, work experience, and then education or training.

Table 2: Emphasis and Other Features of Four WIN-Era Programs

Evaluated program	Program emphasis and service strategy	Net program cost per person[a]	Percentage of participants who were ever in education and training
Arkansas WORK	Rapid employment with job search first and 3-month unpaid work assignments	$220	0
Virginia Employment Services	Rapid employment with job search and some 3-month unpaid work assignments	598	12
Baltimore Options	After initial assessment, participants are given some choice among job search, unpaid work assignments, or education and training	1,325	17
SWIM	Involve as many participants as possible in activities for as long as possible, starting with job search, then 3-month unpaid work assignment, then some education and training	1,212	24

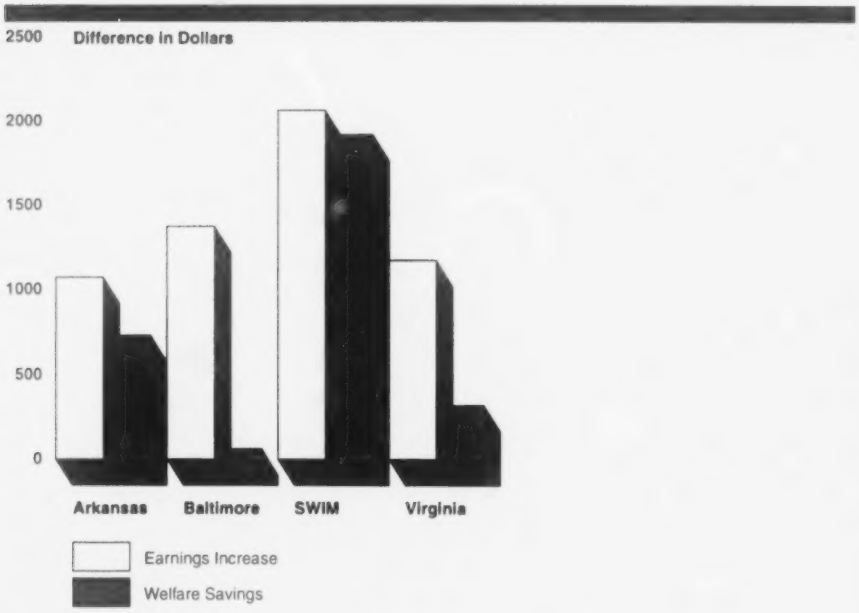
[a]Represents the average cost per participant less the average cost per nonparticipant, adjusted to 1993 dollars. Note that net program costs per person are lower for these WIN-era programs compared with the JOBS-era programs because welfare recipients with younger children were not required to participate in WIN-era programs. Consequently, child care costs were lower.

The SWIM and Baltimore Options programs significantly increased total earnings for participants over the 5-year study period, while the earnings increases for the Arkansas and Virginia programs were not statistically significant. Arkansas WORK did, however, have significant savings in welfare payments.[13] As shown in figure 1, only the SWIM program both produced welfare savings and increased participant earnings. Over the 5 years, the SWIM program increased total earnings of participants more than $2,000 above the total earnings increase for nonparticipants and reduced welfare payments almost $2,000 per participant. On the basis of a detailed analysis of these studies' findings, researchers concluded that the Baltimore Options program was the only program that helped some

[13]For our interpretations, we used a common significance level of 5 percent (.05) or less, which was stricter than that used in some evaluations. Total earnings impact represents the difference between the total average earnings between the program participants and nonparticipants. Welfare savings represent the differences between the total average welfare payments for participants and nonparticipants and do not take into account the costs of the program. In averaging the earnings or savings, those individuals with a zero value were included. The average earnings of only those with earnings would be higher.

participants find higher-paying jobs than the jobs nonparticipants found. The programs that relied primarily on job search generally resulted in those participants who would have worked eventually beginning to work sooner, and motivated some participants who would not have worked to get a job. For the near term, this resulted in participants relying more on their own earnings than on welfare, although it did not increase their overall financial well-being or increase their earnings capacity.[14]

Figure 1: Effect on Total Earnings and Welfare Savings per Program Participant Over a 5-Year Study Period for Four WIN-Era Programs



Note: Earnings differences between program participants and nonparticipants were statistically significant only for Baltimore Options and SWIM; welfare savings were statistically significant only for Arkansas WORK and SWIM.

Five-Year Evaluation of Six JOBS-Era Programs in California

In 1988, MDRC began a 5-year evaluation of California's GAIN program in six counties. This six-site evaluation affords an opportunity to examine the performance of programs that varied in key ways, including program emphasis and service strategy. While all of the county programs used a mixed service strategy, including job search activities and education and training, the extent to which they emphasized rapid employment or longer-term education and training varied, as shown in table 3. The study

[14]Daniel Friedlander and Gary Burtless, Five Years After: The Long-Term Effects of Welfare-to-Work Programs (New York, N.Y.: Russell Sage Foundation, 1995).

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researchers noted that, among the six counties, the Riverside program promoted the strongest message about the importance of moving quickly into employment. The other counties' programs placed more emphasis on skill building, with the Alameda, Los Angeles, and Tulare programs placing participants in education and training longer than the other counties.

The county programs and environments differed in other key ways that can affect the operation and success of a welfare-to-work program. For example, as shown in table 3, some counties had much higher percentages of welfare recipients generally considered hard to employ (or less job-ready) than other counties, as measured by the percentage of program participants assessed by each program to be in need of basic education. A key feature of the GAIN program at the time of the evaluation in these six counties was its emphasis on adult basic education. Depending on participants' need for basic education, GAIN placed participants into groups that were considered more job-ready and less job-ready. GAIN assigned the job-ready participants to job search initially and, in general, assigned the less job-ready to basic education, although sometimes these participants were given the option to look for work or to look for work and participate in basic education concurrently. As shown in table 3, the percentage of participants who were enrolled in education and training ranged from 28 to 53 percent.

Table 3: Program Emphasis and Other Features of the Six GAIN County Programs

County program	Program emphasis and service strategy	Net program cost per person[a]	Participants assessed to need adult basic education (percentage)	Participants enrolled in education and training activities (percentage)	Special features
Alameda	Emphasized longer-term education and training; used mixed service strategy	$5,597	65	53	Targeted to long-term welfare recipients only
Butte	Placed more emphasis on education and training than on rapid employment; used mixed service strategy	2,904	49	28	Used more intensive case management than other programs
Los Angeles	Emphasized longer-term education and training; used mixed service strategy	5,789	81	44	Targeted to long-term welfare recipients only
Riverside	Stressed rapid employment but included short-term education; used mixed service strategy	1,597	60	36	None
San Diego	Placed more emphasis on education and training than on rapid employment; used mixed service strategy	1,912	56	37	None
Tulare	Emphasized longer-term education and training; used mixed service strategy	2,734	65	49	None

Note: The information on these programs generally represents the programs and the status of their clients at the end of 3 years. The programs changed to some extent over the 5-year period. For example, some of the original nonparticipants were allowed to participate in some JOBS activities.

[a]Represents the average cost per participant less the average cost per nonparticipant, adjusted to 1993 dollars.

The six programs had mixed results for participants in increasing employment, earnings, and welfare savings, compared with nonparticipants. Of the sites with statistically significant employment increases, three—Los Angeles, Riverside, and San Diego—increased the percentage of participants who had been employed sometime during the 5 years by at least 5 percentage points above the percentage for

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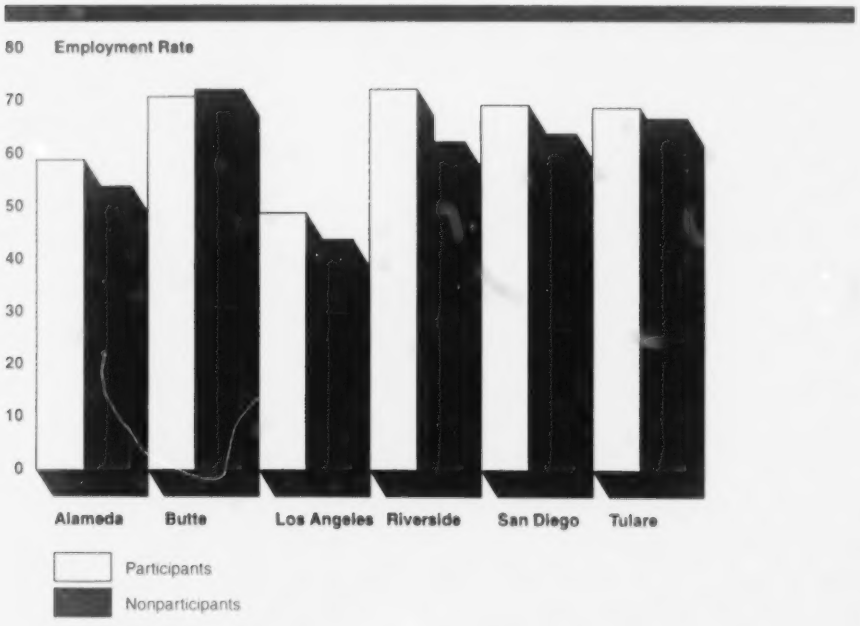
nonparticipants. (See fig. 2.) The Riverside program had the greatest effect: the percentage of those who had held a job during the 5-year study period was 10 percentage points higher for participants than for nonparticipants (72 percent versus 62 percent).

Figure 2: Employment Rates for Program Participants and Nonparticipants Over the 5-Year Study Period in Six GAIN Counties



Note: Employment rate differences between program participants and nonparticipants were statistically significant only in Los Angeles, Riverside, and San Diego.

Two of the programs that had statistically significant effects on the employment of participants compared with nonparticipants—Riverside and San Diego—also had significant effects on earnings for their participants (see fig. 3). The Butte program did not result in increased employment but did result in increased earnings. For the programs with statistically significant differences, the total effect on earnings per participant compared with nonparticipants over the 5 years ranged from almost $3,000 in San Diego to just over $5,000 in Riverside. Four programs—Alameda, Los Angeles, Riverside, and San Diego—significantly

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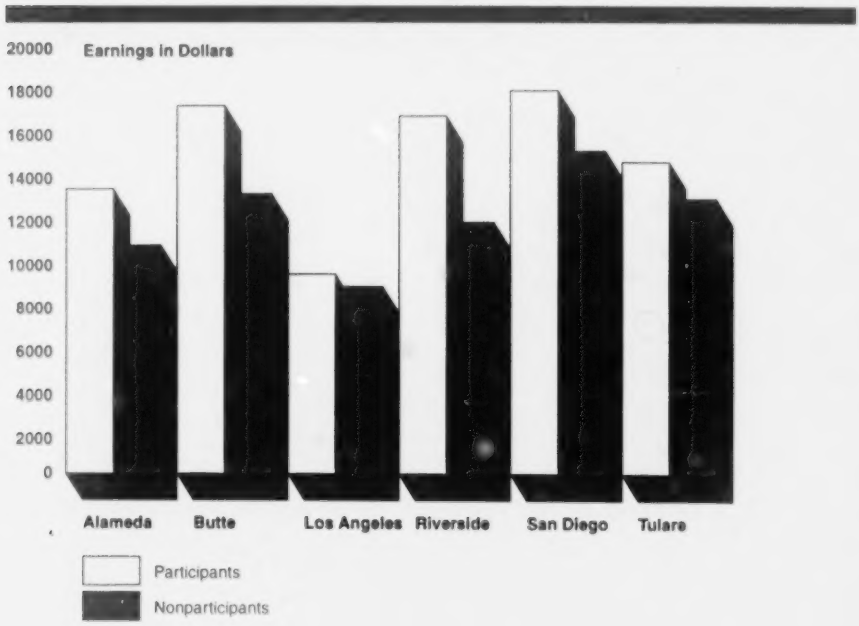
reduced welfare payments; these savings ranged from about $1,400 to about $2,700 per participant (see fig. 4).

Figure 3: Total Earnings of Program Participants and Nonparticipants Over the 5-Year Study Period in Six GAIN Counties



Note: Differences in earnings were statistically significant between program participants and nonparticipants only in Butte, Riverside, and San Diego.

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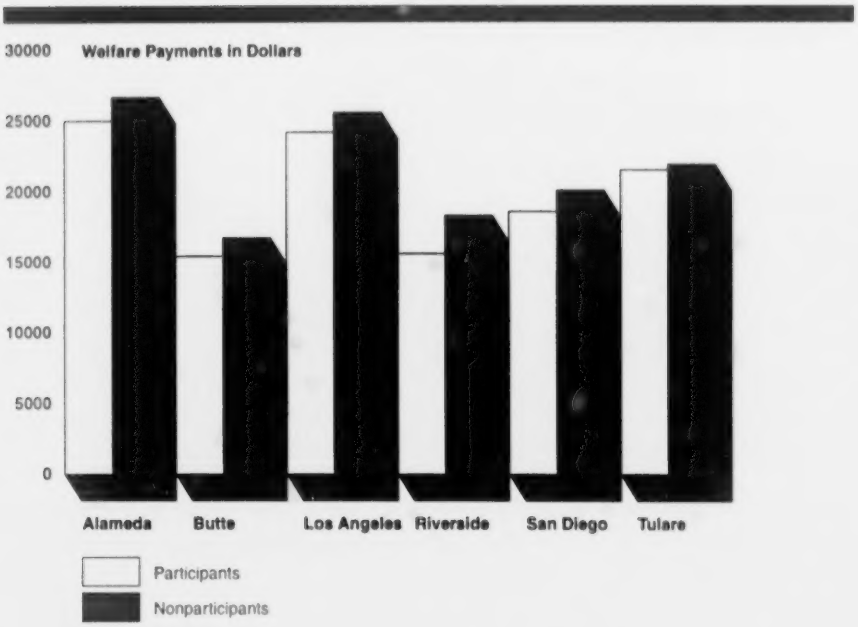
Figure 4: Average Total Welfare Payments for Program Participants and Nonparticipants Over the 5-Year Study Period in Six GAIN Counties



Note: Differences in welfare payments between program participants and nonparticipants were statistically significant only in Alameda, Los Angeles, Riverside, and San Diego.

Because of the importance of understanding how a welfare-to-work program works for different segments of the welfare population, the GAIN evaluation also looked at results for two key subgroups: participants and nonparticipants who were job-ready (those determined not to be in need of basic education) and participants and nonparticipants who were less job-ready (those determined to be in need of education). Job-ready participants in three programs had statistically significant higher earnings or lower welfare payments when compared with job-ready nonparticipants, with the Riverside and San Diego programs having both higher earnings and lower welfare payments. These two programs had relatively large effects on earnings—almost $6,000 and more than $5,000, respectively—for the job-ready group.

For those considered less job-ready, three programs—Butte, Riverside, and Tulare—had statistically significant increases in earnings, as shown in figure 5, with the effect on earnings ranging from about $2,700 in Tulare to

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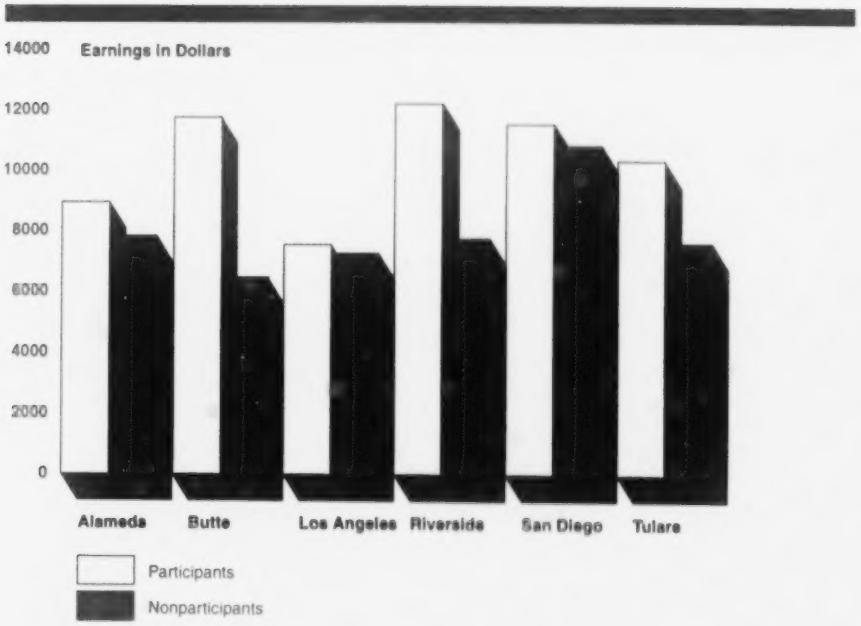
more than $5,000 in Butte. Five of the programs had significant welfare savings, as shown in figure 6. Two programs—Butte and Riverside—had both higher participant earnings and welfare savings. The Butte program performed relatively well for the less job-ready with earnings of participants $5,000 higher than those of nonparticipants and per-participant welfare savings of about $3,900. While the Butte, Riverside, and Tulare programs all had a statistically significant effect on participant earnings for those needing basic education, the effects occurred later in the study period in the Butte and Tulare programs than in the Riverside program. This demonstrates that some programs that do not produce results in a short time frame may do so in the longer term.

Among the six programs, participants determined in need of basic education were generally assigned to adult basic education activities.[15] The programs generally increased participation in these activities for participants compared with nonparticipants, but a majority of those who were in need of basic education did not obtain a general equivalency diploma. For those programs that had higher earnings and welfare savings, it is unclear the extent to which provision of basic education contributed to these effects.[16]

[15]In the Riverside program, all participants—whether they needed education or not—were strongly encouraged to start with job search as their first activity.

[16]For more information on adult education for welfare recipients, see Edward Pauly, The JOBS Evaluation: Adult Education for People on AFDC: A Synthesis of Research (Washington, D.C.: Department of Education and HHS, Dec. 1995). Also see Janet Quint, The JOBS Evaluation: Educating Welfare Recipients for Employment and Empowerment: Case Studies of Promising Programs (Washington, D.C.: Department of Education and HHS, 1997).

Figure 5: Total Earnings for Program Participants and Nonparticipants Determined to Be in Need of Basic Education Over the 5-Year Study Period in Six GAIN Counties



Note: Differences between program participants and nonparticipants were statistically significant only in Butte, Riverside, and Tulare.

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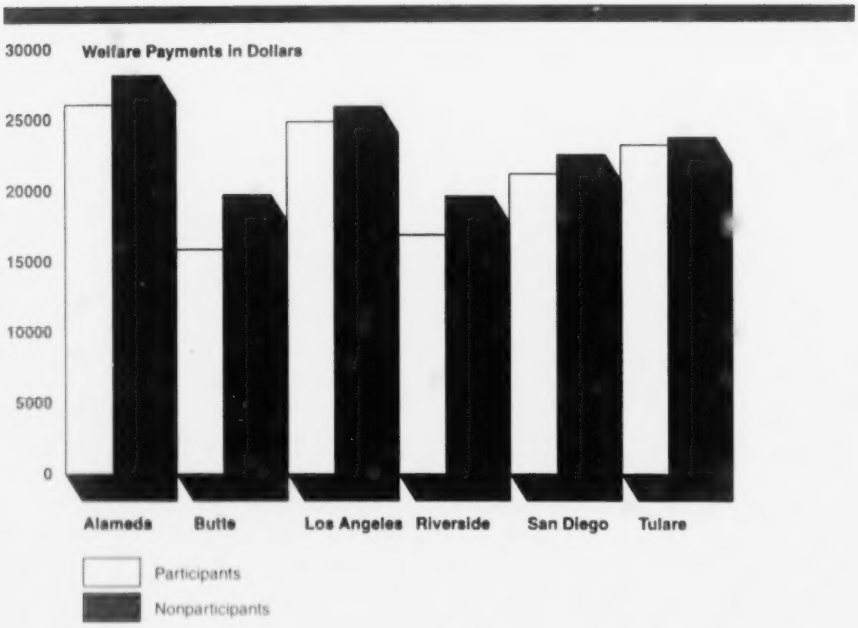
Figure 6: Welfare Payments to Program Participants and Nonparticipants Determined to Be in Need of Basic Education Over the 5-Year Study Period in Six GAIN Counties



Note: Differences between program participants and nonparticipants were statistically significant in Alameda, Butte, Los Angeles, Riverside, and San Diego.

Among the six programs, only the Riverside and San Diego programs had statistically significant effects in all three areas—total employment, earnings, and welfare savings—over the 5 years. In addition, the Riverside program, the least costly, achieved results in earnings and welfare savings for both the job-ready and less job-ready participants. The study researchers attributed the success of the Riverside program to a combination of factors: conveying a strong, consistent message about the importance of quick employment for participants, even for those who began the program with education and training; relying on a mixed strategy including job search, education and training, and other activities and services; enforcing participation requirements; devoting some staff to job development activities to help identify employment opportunities for

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participants; and focusing staff on results by, for example, using performance standards to measure their performance.[17]

The Riverside program is considered one of the most successful large-scale mandatory welfare-to-work programs on the basis of its significant effect on a range of outcomes and the fact that it reaches a broad cross section of the welfare caseload. Even so, the program still did not end participants' dependence on welfare or lead to employment at wages above poverty levels for many families. The 3-year results showed that, after entering the program, 41 percent of participants were still receiving welfare and 81 percent had income at or below the poverty line. The percentage of those still receiving welfare is no doubt affected to some extent by the relatively high maximum earnings levels for AFDC in California at the time of the study. For example, in California in fiscal year 1991, a three-person family would have needed monthly earnings of $959 to become ineligible for AFDC.[18] In a state with a relatively high earnings limit such as California, many more welfare recipients are likely to combine work and welfare, while in states with lower earnings limits, any job, even at the minimum wage, can result in a family's moving off welfare.

MDRC Comparison Study Shows That Results From Rapid Employment and Education-Based Approaches Did Not Differ in the Short Term

In the ongoing comparison study conducted at three sites (Atlanta, Grand Rapids, and Riverside) by MDRC as part of the National Evaluation of Welfare-to-Work Strategies, the welfare-to-work programs implemented at the study sites were designed to provide "pure" examples of the rapid employment and education-based approaches. In the rapid employment approach, though, the program could assign participants to education and training activities if they were not able to find a job during the initial job search period.

The rapid employment approach emphasizes quick job placement, assuming that work habits and skills are better learned at a job than in a classroom and that any job can be a stepping-stone to a better one. Program staff only briefly assess participants assigned to this program before they attend a 3- to 5-week job club. The job club includes classroom

[17]The GAIN Riverside program discussed here differs somewhat from the Riverside program currently being operated as a "pure" rapid employment approach as part of the MDRC comparison evaluation under way. The researchers noted that the GAIN Riverside program emphasized a broader range of activities for participants, placing more of them in education and training than the Riverside rapid employment approach in place now.

[18]We estimated that, in fiscal year 1991, the monthly amount of earnings needed for a family to no longer be eligible for AFDC varied widely across the states, from a low of $385 to a high of $1,111, with a median of $632. See Self Sufficiency: Opportunities and Disincentives on the Road to Economic Independence (GAO/HRD-93-23, Aug. 6, 1993).

instruction on how to look for a job and provides supervised job search. Participants who have not found a job at the end of this period are more fully assessed by staff to see what activities and services would help them get a job. Depending on that assessment, participants are assigned to more time in job club, individual job search, or short-term (up to 9 months) basic education, vocational training, or work experience. A participant who completes such an assignment without finding a job is assessed again and assigned to the same or another of these activities.[19]

The education-based approach assumes that participants need to invest some time in education or training before seeking employment so that they can acquire skills that will help them get good jobs and thus leave welfare permanently. Participants assigned to this approach first undergo a detailed assessment by program staff to determine their job-related skills and interests and to identify potential barriers that they face to getting employment. Depending on the assessment, these participants are assigned to up to 2 years of basic education, vocational training, college, or work experience. A participant who remains unemployed after completing the assignment is reassessed and assigned to the same or another of these activities, a job club, or an individual job search.[20]

The 2-year earnings and welfare payment outcomes of both the rapid employment and education-based program participants were significantly better than outcomes for nonparticipants, but the outcomes of the participants in the two approaches were not different enough from each other to conclude that, overall, one approach is more effective than the other. In Atlanta and Grand Rapids, there was no statistically significant difference in the total earnings effects between the two program approaches.[21] Among participants with a high school diploma or

[19]During the study's 2-year follow-up period, 41 percent (Riverside) to 69 percent (Atlanta) of participants assigned to the rapid employment approach participated in job search and 8 percent (Riverside) to 31 percent (Grand Rapids) participated in an education or training activity.

[20]There were some differences between the intended and actual sequence of program activities and emphases. According to the researchers, assessments were generally not in-depth. For example, only one program had an up-front assessment that was longer than a few hours—the program in Grand Rapids, using an education-based approach, had an up-front assessment that lasted a week in a classroom setting. In addition, at all three education-based sites, basic education was by far the most commonly assigned first program activity, followed by vocational training. Assignments to work experience or college were very rare. During the study's 2-year follow-up period, 47 percent (Riverside) to 58 percent (Grand Rapids) of participants assigned to the education-based approach participated in an education or training activity and 12 percent (Atlanta and Riverside) to 14 percent (Grand Rapids) of recipients participated in job search.

[21]A comparison of the outcomes of the full sample of the two groups can be made only in Atlanta and Grand Rapids, because in Riverside the education-based approach was available only to participants who did not have a high school diploma or equivalent or who achieved relatively low scores on basic skills tests administered at orientation.

equivalent, there were no differences between the two approaches in terms of total earnings. The rapid employment approach did, however, show greater effects on earnings than the education-based approach among participants in Grand Rapids who did not have a high school diploma or equivalent (42 to 44 percent of the total sample at the three sites). In Grand Rapids, the rapid employment approach produced significantly greater savings in total welfare payments than the education-based approach, but that difference was not statistically significant in Atlanta.

While both approaches produced positive outcomes, they did so at very different program costs. Across the three sites, the average per-participant cost for the rapid employment approach (above what was spent on nonparticipants) was $1,550. The average per-participant cost for the education-based approach was $3,077, nearly twice the cost of the rapid employment approach.

The Effect of Welfare Mothers' Educational Attainment on Their Children's Educational Attainment Is Currently Unknown

While research indicates that parents' educational attainment is positively related to children's educational attainment, little information is currently available on this relationship specifically within the welfare population. Recent studies have identified factors affecting the cognitive development of children in welfare families. This research, while limited in scope, indicates that one factor that may positively affect children's development is the level of their mothers' educational attainment. This issue has also been analyzed within a body of research focusing on the effects of poverty on children's educational attainment. In these studies, which did not sample welfare recipients exclusively, analysis has included measuring and controlling for welfare receipt in order to determine whether the welfare population is different from the general population. In general, these research results show a significant positive relationship between the educational attainment of parents and their children among both the welfare and nonwelfare populations.

Findings from research that focuses on the development of the children within the welfare population are inconsistent. One longitudinal study of 614 children whose families received AFDC found that mothers' prior education corresponded to higher reading scores but not to higher math or vocabulary scores for children.[22] This study found no significant effect

[22]Hirokazu Yoshikawa, "Welfare Dynamics, Support Services, Mothers' Earnings, and Child Cognitive Development: Implications for Contemporary Welfare Reform," Child Development, Vol. 70, No. 3 (May/June 1999). The study examined mothers' education level 1 year before the birth of the child in the study.

over the study period from a mother's increasing her education over the first 5 years of her child's life. As part of the National Evaluation of Welfare-to-Work Strategies currently being conducted, researchers will identify how the welfare-to-work experiences of mothers affect their children.[23] A preliminary descriptive report on preschool-aged children in this evaluation found that a child's development was associated with the mother's educational attainment.[24] Future reports from this evaluation will include school data for children approximately 5 years later. In addition to this evaluation, several states have included a component in evaluations of their welfare programs—partially funded by HHS—to look at the effects of various welfare reforms on children, including children's school achievement.[25] Although these studies will not measure the completion of schooling for these children, they will provide additional information on how mothers' educational attainment affects the progress of their children's education.

Other applicable research, which has not analyzed welfare recipients exclusively, has attempted to determine whether and how the welfare population differs from the general population in terms of children's educational attainment. These studies show that a parent's various circumstances, such as economic status and educational level, have a significant effect on children's educational attainment across the sample, even when analysis controls for welfare receipt. In all of the studies that provided detailed results, mothers' educational attainment consistently had a significant effect on the educational attainment of their children. These findings suggest that a significant relationship between a mother's and her children's educational attainment may also hold true for the welfare population.

Concluding Observations

Our review of research conducted over the past two decades shows that a welfare-to-work approach with a strong employment focus can have positive effects on participant earnings and employment and on welfare costs. However, we do not yet definitively know, especially in the long term, whether a rapid employment or education-based approach works best for increasing the employment and earnings of welfare recipients and reducing their dependence on welfare. Future results from an ongoing

[23]The three sites for this study are Atlanta, Ga.; Grand Rapids, Mich.; and Riverside, Calif. This study is contained within MDRC comparison study referred to earlier that compares the rapid employment and education-based welfare-to-work approaches.

[24]Kristin A. Moore and others, The JOBS Evaluation: How Well Are They Faring, AFDC Families With Preschool-Aged Children in Atlanta at the Outset of the JOBS Evaluation (Washington, D.C.: HHS, Office of the Assistant Secretary for Planning and Evaluation, 1995).

[25]States include Connecticut, Iowa, Minnesota, Indiana, and Florida.

study designed specifically to compare the effectiveness of a rapid employment approach with that of an education-based approach may shed more light on this issue. In the meantime, our review of 10 evaluated programs that had 5-year results indicates that those welfare-to-work programs that combine elements of both approaches—emphasizing rapid employment but tailoring services to some extent to meet the differing needs of welfare recipients—may best meet the goals of increasing employment and earnings for welfare recipients while at the same time reducing welfare payments. These types of programs can play an important role in moving welfare recipients into the labor force and increasing the extent to which they rely on their own earnings rather than government aid. Nevertheless, even the most successful program in Riverside did not usually lead families to higher-paying jobs or move them out of poverty during the time period studied. Future research will need to focus on longer-term program outcomes, the effect of the 1996 welfare reform legislation, and what works best for particularly hard-to-employ populations.

Agency Comments and Our Evaluation

We obtained comments on a draft of this report from HHS, which stated that, overall, it concurred with our findings. More specifically, HHS agreed that, of the welfare-to-work approaches that have been tested, programs with a combined approach—emphasizing rapid employment but providing education and training when appropriate—appear to be most effective. HHS commended us in our selection of rigorous studies using random assignment; however, HHS noted that this criterion eliminated any studies regarding postsecondary education, since no rigorous evaluations have been done of the effectiveness of such programs for welfare recipients.

HHS made several suggestions to further clarify information contained in the report. First, HHS pointed out that the costs for the WIN-era programs would naturally be lower than the costs for the JOBS-era programs because welfare recipients with younger children were exempt from participating in the earlier programs and, consequently, costs for child care would be lower. We agree with this suggestion and have included it in the report. Second, HHS noted that while we focused on effects on cumulative earnings over the 5-year follow-up period, which is a good measure of the overall impact of a program, the effects on earnings at the end of the follow-up period might be a better indicator of future earnings. We agree with HHS that assessing the effects on earnings at the end of the follow-up period can provide important information. However, our analysis of the results of the six-county GAIN evaluation showed that the only counties

that showed statistically significant increases in earnings for the last year of the follow-up period (Butte, Riverside, and San Diego) also showed significant increases over the 5-year follow-up period; as a result, we did not report separately on the effects at the end of the study time period. Furthermore, we noted that for participants considered to be less job-ready, effects occurred later in the study period for several counties, indicating that some programs that do not produce results in a short time frame may do so in the longer term. Finally, regarding the section about the effect of welfare mothers' educational attainment on their children's educational attainment, HHS noted that the report should more clearly explain how studies documented a mother's educational background. We have made revisions to this section to clarify whether the education level was documented at the onset of a study or during the study period. However, additional information was not available on the percentage of mothers in a study sample with increases in education during the study period. In addition, HHS provided technical comments, which we incorporated in the report where appropriate. HHS' comments are included in appendix II.

We provided a draft of this report for technical review to the Departments of Education and Labor; we also provided a copy to two experts in welfare issues. The Department of Education and the experts said we had accurately characterized the research available in the field. They also provided technical comments, which we incorporated as appropriate. The Department of Labor had no comments.

We are sending copies of this report to the Honorable Donna E. Shalala, Secretary of Health and Human Services; the Honorable Alexis M. Herman, Secretary of Labor; the Honorable Richard W. Riley, Secretary of Education; and state TANF directors. We will also make copies available to others upon request.

If you or your staffs have any questions about this report, please call me on (202) 512-7215. Other GAO contacts and staff acknowledgments are listed in appendix III.

Cynthia M. Fagnoni

Cynthia M. Fagnoni
Director, Education, Workforce, and
Income Security Issues

List of Addressees

The Honorable William V. Roth, Jr.
Chairman
The Honorable Daniel Patrick Moynihan
Ranking Minority Member
Committee on Finance
United States Senate

The Honorable James M. Jeffords
Chairman
The Honorable Edward M. Kennedy
Ranking Minority Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable William F. Goodling
Chairman
The Honorable William L. Clay
Ranking Minority Member
Committee on Education and the Workforce
House of Representatives

The Honorable Bill Archer
Chairman
The Honorable Charles B. Rangel
Ranking Minority Member
Committee on Ways and Means
House of Representatives

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Abbreviations

AFDC	Aid to Families With Dependent Children
GAIN	Greater Avenues for Independence
HHS	Department of Health and Human Services
JOBS	Job Opportunities and Basic Skills Training
MDRC	Manpower Demonstration Research Corporation
SWIM	Saturation Work Initiative Model
TANF	Temporary Assistance for Needy Families
WIN	Work Incentive

Scope and Methodology

To address the mandated objectives, we identified relevant evaluation studies of welfare-to-work programs that help welfare recipients and other low-income women with children become employed. To be included in our review, evaluations had to meet the following criteria:

- A program could have started before 1988, but its evaluation had to have been published since 1988, after the passage of the Family Support Act.
- A study had to measure the effect of welfare-to-work approaches on employment-related outcomes such as employment, earnings, and welfare payments.
- A study had to rigorously evaluate the program by controlling for factors that could affect employment-related outcomes.

To identify the relevant evaluations as well as identify information on the impact of welfare recipients' educational attainment on the educational attainment of their children, we searched several on-line bibliographic databases. These databases included Sociological Abstracts, Social SciSearch, ERIC, the Welfare Information Network, and ECONLIT. We also reviewed bibliographies of research studies on these issues and consulted with experts on welfare-to-work issues to identify other studies we should consider. We met with officials at the Departments of Health and Human Services, Labor, and Education to obtain further information on pertinent evaluations.

We identified only one evaluation that compared the effectiveness of a rapid employment approach with that of an education-based approach and included this evaluation in our review. In selecting other welfare-to-work evaluations for review, we included only evaluations with impacts for follow-up periods of at least 5 years. Consequently, we identified for review six evaluations, which evaluated a total of 13 programs. Because many of the welfare recipients who participated in the welfare-to-work programs evaluated had less than a high school education, the education-based approaches evaluated in the studies we assessed primarily provided basic education services rather than postsecondary education. As a result, none of the studies evaluated the effectiveness of a college education on improving employment-related outcomes for welfare recipients. All the evaluations used research designs that controlled for other factors that could affect outcomes. For example, participants were randomly assigned to either a program group, which was subject to the program being evaluated, or to a control group, which continued under a previous program or no program. The experience of the control group members—who, at their initiative, could use services elsewhere in the

community—indicates what would have happened to the program groups in the absence of special intervention, providing a benchmark for measuring program effects. The principal outcomes measured in the evaluations were employment, earnings, and welfare savings. For each outcome in each study, the researchers had compared results for the participants receiving program services with those for participants in the control group and identified statistically significant differences that were deemed to be program impacts or effects. The evaluation reports estimated the likelihood that these differences occurred by chance by using standard tests of statistical significance. We did not independently verify the information in the evaluation reports.

We conducted our work in accordance with generally accepted government auditing standards between February 1999 and July 1999.

Comments From the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

SEP 2 1999

Ms. Cynthia M. Fagnoni
Director, Education, Workforce, and
Income Security Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Ms. Fagnoni:

The Department has carefully reviewed your draft report entitled, "Welfare Reform: Assessing the Effectiveness of Various Welfare-to-Work Approaches." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department also provided some technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

June Gibbs Brown

June Gibbs Brown
Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

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Comments of the Department of Health and Human Services on the U.S. General Accounting Office's Draft Report, *Welfare Reform: Assessing the Effectiveness of Various Welfare-to-Work Approaches* (GAO/HEHS-99-179)

We have reviewed the General Accounting Office (GAO) draft report and have the following comments. On the whole, we were pleased with both the approach and the conclusions of the report. In particular, we agree that the research results available are not definitive but indicate that, of the welfare-to-work approaches which have been tested, the most effective is probably one that emphasizes rapid employment but also provides education and training when appropriate based on the differing needs of welfare recipients.

Also, the fact that the report cites findings from random-assignment experiments as evidence of the relative effectiveness of various approaches to welfare employment programs is commendable and reflects the sizeable numbers of experimental design evaluations that have been done in this area. Where they can be mounted, rigorous experimental evaluations provide more reliable measures of program impacts than quasi- and non-experimental evaluations, which are subject to selection bias and invalid counterfactual measures. Given that the report seeks to determine what approach has the greatest long-term success, it is hard to fault the choice of studies used. The report examines all experimental studies that have results for 5 years of follow-up. In addition, 2-year follow-up data from the National Evaluation of Welfare-to-Work Strategies sites that directly compare Labor Force Attachment and Human Capital Development approaches are cited.

At the same time, the commitment to consider only random-assignment studies means that this report is unable to address the questions posed specifically with respect to the effectiveness of post-secondary education. There has not been a rigorous evaluation of the effectiveness of such programs for welfare recipients. As a result, this report may disappoint some of the requestors. The GAO may wish to explain this in the discussion of scope and methodology.

We also have a few comments on the use of these studies. First, while the report acknowledges the difficulty of comparisons across sites and across time, it does not appear to note that costs are generally higher for programs that include parents of pre-school-age children than those that are restricted to parents of older children, due mainly to higher child care costs. Thus the costs for older programs that studied participants whose youngest child was 6 or older, such as the Baltimore Options Program or the San Diego Saturation Work Initiative Model, will not be comparable to those for later Job Opportunities and Basic Skills Training programs, such as California's Greater Avenues for Independence Program, which included participants with younger children, even after adjusting for inflation.

Second, the report focuses on the impacts on cumulative earnings over the follow-up period. While this is a good measure of the overall impact of the program, the difference in earnings at the end of the follow-up period may be a better indicator of the future trajectory of impacts.

Third, the section on the effect of maternal education on child outcomes is not always clear on when studies are looking at the initial difference in a mother's educational background versus

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when they are looking at the difference that an actual change makes--which only an experiment that provides an educational intervention can test. For example, in the discussion of the Yoshikawa study, it would be helpful to indicate what percentage of the mothers in the sample had increases in education during the period of the study. If the percentage of mothers with increases in education was very small, this is not a good test of whether such increases have an effect on a child's educational development.

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GAO Contacts and Staff Acknowledgments

GAO Contacts

Gale C. Harris, (202) 512-7235
Sigurd R. Nilsen, (202) 512-7003

Staff Acknowledgments

In addition to those named above, the following individuals made important contributions to this report: Lara L. Carreon, Betty S. Clark, Margaret A. Holmes, Denise D. Hunter, Susan A. Riedinger, and Megan V. Smith.

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